FOR MYSORE STATE

27—40,000—27-10-49

(195) Department

Firka Development

SERIES.

No:

G.O No

1034

Dated

18th November 1949

[Despatch Abstract.]

Intensive Khadi Scheme - Price of Khadi - Overhead charges - Enhancement from 1st January 1950 - Ordered.

GOVERNMENT OF MADRAS

(Abstract)

INTENSIVE KHADI SCHEME - Price of khadi - Overhead charges - Enhancement from 1st January 1950 - Ordered.

Firka Development Department

G.O.Ms.No.1034, Dated 16th November 1949
Read the following:--

G.O.Ms.No.4678 Development, dated 23rd December 1946
From the Honorary Regional Khadi Officer, Masulipatam Rc.No.1202-KS/48, dated 22nd October 1949
From the Honorary Regional Khadi Officer, Tiruppur, Rc.No.16-WP/2744, dated 20th October 1949
From the Honorary Regional Khadi Officer, Palghat, Rc.No.A4-52, dated 29th October 1949.

O R D E R:

In their Order first cited, the Government directed that overhead charges should be calculated at the rate of one anna per linear yard of khadi produced in the intensive Khadi Centres. It was anticipated that overhead charges levied at this rate would be sufficient to make up the expenditure on the staff and other items which are intended to be recovered under the scheme. The actual expenditure under the scheme and the quantity of khadi produced during the period from the beginning of 1947, when the scheme was taken up, till the end of December 1948 however showed that the overhead charges incurred were far in excess of the estimate made under the scheme and worked out to 18 per cent of the total cost of production of khadi in the seven centres. Further, the Government consider that as the prices of khadi produced vary widely from about one rupee per yard to about Rs.3/- per yard, the levy of overhead charges at the rate of one anna per linear yard of cloth irrespective of its cost price is not rational and that the basis for levying the overhead charges should be related to the price of the cloth produced so as to secure their equitable distribution on cloth of different varieties as is done by the All India Spinners' Association. They therefore direct that the overhead charges be revised and fixed at 12½ per cent of the cost price of khadi produced in the intensive Khadi centres.

2. All Chief Khadi Officers are requested to give effect to the enhancement in the overhead charges from 1st January 1950 on all stocks of khadi held on that day and on all cloth produced on or after that day.

3. The Chief Khadi Officers are informed that no price-lists are necessary for revising the prices of the existing stocks and that the formula suggested below should be adopted to arrive at the revised price.

Formula.

Deduct Re.0-1-0 from the present price per yard to get the cost price and add to the cost price so got one-eighth thereof to arrive at the revised price.

For example, if Rs.1-11-9 per yard is the present price, the cost price will be Rs.1-10-9 and the revised price will be

p.t.o.

will be Rs.1-10-9 plus one eighth of it or Rs.0-3-4 i.e. Rs.1-14-1 which should be rounded off to the nearest quarter anna, i.e. to Rs.1-14-0 per yard.

(By Order of His Excellency the Governor)

Sd. ** **
** **

To all Chief Khadi Officers
To all Honorary Regional Khadi Officers
Copy to F.D. VII
Copy to Stock File
Copy to C.A. S.T.S., Madras.

(True copy)

for Superintendent,
Madras Record Office.

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